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SOURCE Planificarea Productiei Industriale a Lemmului.

ORGANIZATION OF WOOD INDUSTRY IN RUMANIA

Organization of Enterprises

Rumanian state wood enterprises are under the jurisdiction of the Ministry of Wood, Paper, and Cellulose Industries. There are also mixed Sovromlemn (Rumanian-Soviet wood) enterprises. The latter help introduce socialist administrative methods, Soviet labor procedures, and advanced techniques in operation. These new methods include the use of electric saws for cutting and saving trees, and KT-12 tractors for transportation. Sovromlemn is making important contributions to the development of the wood industry through installation of modern Soviet equipment and employment of Soviet technicians.

Sovroms have proven to be the most important type of aid from the Soviet Union in the industrialization of Rumania. These enterprises are organized on the basis of complete equality between the two partners, and they operate in the petroleum, methane gas, metallurgical, wood, chemical, construction, and transportation industries, leading in the effort to fulfill and exceed the plan. The decision of the Central Committee of the Rumanian Workers Party and of the Council of Ministers in October 1950 stressed the important achievements of Sovromlemn units in the exploitation of forests and the industrialization of wood.

State enterprises for the exploitation, transportation, and industrialization of wood are called IPEIL (Intreprinderi pentru Exploatarea si Industrializarea Lemmului, Enterprises for the Exploitation and Industrialization of Wood). This name appeared for the first time on 16 August 1948 in Decision No 7396 of the Ministry of Industry, published in the Monitorul Oficial No 188. The IPEIL were set up by areas of activity and included all forest exploitations, means of transportation, and wood industrialization installations, which were nationalized by the law of 11 June 1948 concerning industrial, banking, insurance, mining and transportation enterprises.

IPEIL operate in various parts of the country. Organizational needs, local conditions, natural delimitations of forest areas, and the uninterrupted process of transformation of the country's economy led gradually to a series of changes, both in the activity of IPEIL and in their organization. Thus. Forestry Districts,

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under the jurisdiction of the regime forestry directorates under the Ministry of Forest Culture, were entrusted with the exploitation and transportation of wood and with the general supervision of forestry in areas formerly under the jurisdiction of IPEIL, where the building of wood processing mills would not be justified. The area of operation of IPEIL was thus restricted only to that part of the country with large percentages of forests, hills, and mountains, which assured continuous operation of mills. These measures resulted in savings in personnel and overhead expenses, and also eliminated overlapping of activities by similar economic organizations.

Enterprises manufacturing finished wood products, called IPROFIL (Intreprinderi pentru Proiectari Forestiere si Industrializarea Lemnului, Enterprises for the Manufacture, Shaping, and Industrialization of Wood?), were grouped as independent units, according to types of products. There are sometimes two or more such enterprises in the same locality. They have individual working plans, arrangements, and responsibilities, under the direct supervision of the ministry, and they are completely separate from IPEIL.

Thus, IPEIL is the basic state enterprise in the field of wood exploitation, transportation, and industrialization. Although the Forestry Districts, forest culture enterprises, supervise the exploitation and transportation of wood from the forests in the sectors where large scale exploitation is not profitable, they do not carry on industrial exploitation of wood. They may, however, cut logs, by hand or by machine, into staves, railroad ties, mine timbers, telegraph and telephone poles, firewood, etc., but not into lumber.

IPEIL is organized as an independent unit, according to the principles of planned economy. IPEIL has production units for exploitation, processing, truck and other transportation, maintenance and repair of equipment, etc. These units may all be located in the same place, or they may be spread over a regiune or a raion, or a smaller area. For instance, an IPEIL may have a lumber factory, a forest exploitation unit, and a trucking unit all in one place.

When the IPEIL unit is first set up, it receives equipment and real estate from the state. The cost is recorded as nonrefundable basic funds and working funds. The Ministry of Wood, Paper, and Cellulose Industries was authorized to create intermediary economic organizations, called trusts, for the coordination guidance, and more efficient supervision of IPEIL activities. The Ministry of Wood, Paper, and Cellulose Industries decides on the creation of IPEIL units, estimates their range of activity, decides on their number, and controls and guides them either directly or through trusts.

Some IPEIL units, with important assignments and large production volume, have been declared independent national enterprises and are under the direct control of the ministry. In contrast to these enterprises, subordinate regiune and raion enterprises may operate under the guidance and control of peoples' councils.

IPEIL units are juridical entities and have operative independence from the moment of their registration with the Ministry of Finances through one of its agents, such as the State Bank of the Rumanian Peoples Republic, the Bank for Credits and Investments, the Bureau of Taxation, etc. Any change that may take place in the organization and management of an IPEIL, such as liquidation of a unit or its consolidation with another IPEIL, must also be registered. Only after completion of such registration may the IPEIL units enter into agreements for production or for deliveries of goods, or open accounts with banks.

The distribution of IPEIL products is done in part by the IPEIL units themselves, and in part by other trade organizations, such as COMLEMN (Societatea Comerciala de Stat Comlemn, State Wood Trade Enterprise) for the distribution of

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wood products within the country, or EXPORTLEMN (Societatea Comerciala de Stat Exportienn, State Wood Export Enterprise) for the export of wood products. Usually, the IPEIL delivers its products either FOB or at the railroad station nearest to the consumer. There are cases, however, when agreements are made for delivery of products directly to the consumer, for delivery to ports for export, for delivery by raft, etc. Firewood, for instance, is delivered in large quantities in the forests at the cutting place, as are rural construction lumber and, in part, mine timbers, charcoal, and other products.

When a new factory must be constructed in a regiune where there is no IPEIL, a special IPEIL unit is first set up to construct a lumber mill in that regiune. The tendency is to assign construction of a new factory or construction of an important railroad line, to a construction enterprise, a mechanical installations and power plant enterprise, a railroad building enterprise, etc.

INCONLEMN (Intreprinderes Constructiilor din Industria Lemnului, Construction Enterprise in the Wood Industry), a central construction enterprise, was recently created within the ministry, and the former special IPEIL construction units became working units of this enterprise.

The director of an IPEIL is assisted by a chief engineer or chief technician, a chief accountant, the heads of the various departments, group leaders, and foremen. Production and exploitation foremen are the Liaison agents between directors and workers.

Both an IPEIL and an IPROFIL consist, in general, of the following main divisions and subdivisions:

1. The planning division, which draws up the plan for all departments with the aid of department heads; checks, collates, and supervises the fulfillment; and keeps statistical records.
2. The production division, which guides and directs production and supervises the fulfillment of indexes. This department may specialize in exploitation, transportation, or processing.
3. The labor and wage division, which collaborates with the planning division in setting up the manpower plan, prepares production norms, maintains records of labor productivity, assists in keeping records of socialist competition, and establishes wage categories.
4. The investments division, which prepares the drafts and estimates for investment projects and checks the fulfillment of the investment plan.
5. The technical division, which drafts plans for major repairs and periodic repairs and supervises their fulfillment. In some sectors, this division is also called the division of the chief mechanic, and in some large enterprises there is a further distinction between the division of the chief mechanic and the technical department, which is concerned with the technological process, preparation of production, etc.
6. The supply division, which is concerned with the supply of materials, foodstuffs, equipment, etc. to subunits, and which supervises the prompt delivery of these goods by suppliers. This division draws up the supply plan of the IPEIL.
7. The accounting division, which keeps the books, supervises the sale of finished products, checks expenses and financial discipline, etc.
8. The production cost division, which supervises the production cost plan and the equitable application of sales prices, and controls the fulfillment of planned reductions.

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At larger IPEIL units, there is also a division for allotments and deliveries, as well as a division for training and personnel. These function only as departments in smaller IPEIL units.

The industrial wood trusts, as shown above, are the link between enterprise and the General Directorate of Wood Industries, as well as the communal directorates under the ministry. In the present form of organization /1952/ there are nine such regional trusts, which coordinate exploitation, transportation, construction, and processing activities of IPEIL units.

The activity of trusts is centralized and coordinated by the General Directorate of Wood Industries under the ministry. Trusts are under the direct supervision of this directorate, but must report also to other specialized directorates. The general directorates and directorates under the Ministry of Wood, Paper, and Cellulose Industries are as follows:

1. General Directorate for Wood Industries
2. General Directorate for Finished Wood Products Industry
3. General Directorate for Paper and Cellulose Industry
4. General Directorate for Supplies
5. Directorate for Plan Coordination and Records
6. Technical Directorate
7. Directorate for Accounting and Financial Planning
8. Directorate for Training and Personnel
9. Administrative Directorate

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